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August 9, 2011

VIA ECF AND FEDEX

The Honorable Dennis M. Cavanaugh, U.S.D.J.
United States District Court, District of New Jersey
U.S.P.O. & Courthouse Bldg., Room 451
One Federal Square
Newark, New Jersey 07101

Re: Ortho-McNeil Pharmaceutical, Inc., et al. v. Watson Laboratories, Inc.
Civil Action No. 06-3533 (DMC) (MF)

Dear Judge Cavanaugh:

Along with Sidley Austin LLP, we are counsel for Plaintiffs Ortho-McNeil Pharmaceutical, Inc. and Ortho-McNeil Janssen Pharmaceuticals, Inc. in this patent infringement matter. I am pleased to inform the Court that Plaintiffs and Defendant Watson Laboratories, Inc. have agreed upon the enclosed Stipulated Order of Dismissal. If the proposed Order of Dismissal meets with Your Honor's approval, kindly sign it and have it filed with the Clerk. Once the Order of Dismissal is entered, this action can be terminated.

We thank the Court for its attention to this matter.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jason Halper".

Jason E. Halper
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08/09/11 18148949.1

Enclosure

cc: Hon. Mark Falk, U.S.M.J. (*via FedEx; w/encl.*)
All Counsel of Record (*via E-mail; w/encl.*)

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

ORTHO-McNEIL PHARMACEUTICAL,
INC. and ORTHO-McNEIL JANSSEN
PHARMACEUTICALS, INC.,

Plaintiffs

v.

WATSON LABORATORIES, INC.,

Defendant

Civil Action No. 2:06-cv-03533 (DMC)

STIPULATED ORDER OF DISMISSAL

WHEREAS, Plaintiffs Ortho-McNeil Pharmaceutical, Inc. and Ortho-McNeil Janssen Pharmaceuticals, Inc. (now Janssen Pharmaceuticals, Inc.) (collectively, “Ortho-McNeil”) own United States Reissued Patent No. RE39,221 (the “RE221 Patent”) entitled “Composition Containing a Tramadol Material and Acetaminophen and Its Use,” which issued on August 1, 2006, is a reissue of United States Patent No. 5,336,691, and has an expiration date of August 9, 2011;

WHEREAS, Defendant Watson Laboratories, Inc. (“Watson”) owns Abbreviated New Drug Application No. 76-194 (“ANDA No. 76-194”), which describes a pharmaceutical composition containing acetaminophen and tramadol hydrochloride and which was approved by the United States Food & Drug Administration in 2006;

WHEREAS, Watson has submitted a certification to the FDA in accordance with Section 505(j)(2)(A)(vii)(III) of the Federal Food, Drug and Cosmetic Act that the RE221 Patent

has an expiration date of August 9, 2011 and that the product described in ANDA No. 76-194 will not be made available for sale until the expiration of the RE221 Patent (the "Paragraph III Certification");

WHEREAS, the above-captioned litigation was stayed by the Court pursuant to a February 17, 2011 Order Staying Litigation after Watson submitted the Paragraph III Certification;

WHEREAS, the RE221 Patent now has expired and there is no remaining case or controversy between the parties regarding the RE221 Patent;

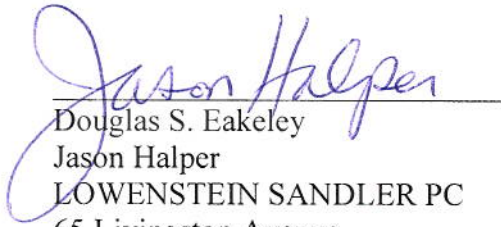
NOW THEREFORE, Ortho-McNeil and Watson stipulate to the following:

1. Pursuant to Rules 41(a)(1) and 41(c) of the Federal Rules of Civil Procedure, all claims, counterclaims, and affirmative defenses between Ortho-McNeil and Watson in the above-captioned litigation are dismissed with prejudice.
2. Each party shall bear its own costs, expenses, and attorneys' fees in connection with the above-captioned action.

IT IS SO ORDERED, this ____ day of _____, 2011

Hon. Dennis M. Cavanaugh
United States District Judge

Stipulated as to form and entry:



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